

Administrative Services ITB Pre Bid Conference Questions – 5/15/08

- 1. In Section 3.20.0 regarding MAC services being priced separately, is there an update regarding these services?**

The Alabama Medicaid Agency has awarded a contract for the development of a new State Maximum Allowable Cost (SMAC) program to another third party vendor, and plans on implementing this new program approximately fall 2008. The scope of this new program will be larger in scope than what is in the Pharmacy Administrative Services contract. However, the intent of the Agency is to allow the SMAC section of this ITB to remain in the event these services are needed from the Pharmacy Administrative Vendor. We asked for this portion on the bid pricing sheet to be priced separately, and should be included in the total bid price. If these services are not needed from the Pharmacy Administrative Vendor at the time of implementation, the allotted amount listed in the SMAC section on the bid pricing sheet will not be submitted by the Vendor nor reimbursed by the Agency. If these services are needed for only a portion of the contract duration, the total bid price will be prorated for the amount of time those services are utilized. Section 1.90.0, Deductive Alternatives, allows Medicaid to eliminate this portion of the contract if needed.

- 2. In Section 3.60.1 regarding operational requirements, with the implementation of the new MMIS system possibly requiring a higher level of operations, are there any specific updates and has it changed from what is stated in the ITB? Is specific equipment required for connection with EDS?**

Since the release of the ITB, there have been changes in the specifications for operational requirements. Equipment and specifications stated in amended section 3.60.1 now requires encryption to the circuits coming from the vendor. This encryption requirement will have costs associated to the current contractor and any potential vendor for the contract. Section 3.60.1 in the ITB has been amended and amendments will be provided to bidders and posted in the bidders library on the website. Connection to the fiscal agent must be established prior to implementation of the contract to ensure that there is not a break in service. Please keep in mind that all connection lines, equipment, routers, etc. needed and installed on the bidders end will be the financial responsibility of the bidder. Please see amendment for the updated text in this section.

- 3. Upon award of the new contract, will there be a period of time for the new contractor to sit down and work with the existing contractor and Medicaid Pharmacy staff and collaborate in a transition period?**

Yes. The goal of the Agency is to support all vendors associated with this contract to ensure the smoothest transition process possible for our providers and ultimately our recipients. The Agency will make arrangements for any needed collaboration to ensure this smooth transition.

4. Is there a copy of the existing contract in the Bidders' Library?

Yes.

5. Will the prior authorization approval criteria remain as is? Who is responsible for that criteria?

Yes. The PA criteria will remain as is. The Agency currently works with our Clinical Contractor (not Administrative Contractor) to develop and maintain our PA criteria. However, the Administrative Contractor will be held accountable for the responsibilities listed under the Prior Authorization sections in the ITB in section 3.50.0-6.

6. With regard to the electronic PA system, in the initial claim review, to what extent is this process handled within the point of sale communication module versus the manual PA system (diagram in the ITB)?

The Electronic Prior Authorization (EPA) system is outlined in section 3.50.2 of the ITB. As a more detailed answer, it may be more explanative to follow a claim through the EPA process:

A pharmacist enters a claim into their processing point-of-sale (POS) system. This claim is routed to the Agency's fiscal agent. If the fiscal agent determines the drug requires PA and is eligible for the EPA system, the claim is sent to the Pharmacy Administrative Contractor (PAC). Depending on the particular drug, the PAC's EPA system reviews patient-specific medical claims (i.e. diagnosis codes, lab values, etc), gender/age requirements, pharmacy claims (i.e. prior therapy, stable therapy, etc), and any other electronically captured data and compares this information to the criteria coded electronically for that drug/drug class. If the patient meets the criteria, an EPA is approved, a PA number is assigned to the claim and returned to the fiscal agent. The fiscal agent processes the claim and sends the paid information back to the pharmacy. If the patient does not meet the criteria, the EPA is denied, the message is sent back to the fiscal agent, who sends a message to the pharmacy that the EPA is denied/please submit manual PA. All this electronic transaction occurs in less than 3 seconds.

The Pharmacy Administrative Contractor is responsible for developing/maintaining all EPA criteria and ensuring that the EPA criteria mirror the manual PA criteria.

7. On attachment A regarding the pricing schedule, can the Agency break down the components in line with the scope of work?

Yes.

8. Section 5.60.0 regarding evaluation of bids, once the mandatory requirements review is completed, will only the bid that is considered responsive to those requirements be considered for award if it has the lowest price?

Yes.

9. Is the electronic PA process handled through EDS? Will the new contractor have to be connected to EDS real time?

Please refer to the answer listed above (#6). Yes. The Pharmacy Administrative Contractor is connected to our fiscal agent in real time.

10. Is the current EPA system proprietary to the current Contractor?

Yes. The current EPA system is proprietary to the current Contractor. The criteria, however, belongs to the Agency and will be used to implement at a minimum, an EPA system that meets the current standards.

11. Will the new contractor's system need to replicate the system already in place?

A new Contractor will be required to implement current processes at a minimum of the current standards (unless otherwise noted in the ITB) to ensure the smoothest transition process possible for our providers and ultimately our recipients.

12. What is the percentage of approvals on electronic PAs and overrides?

This information is on the website in the DUR minutes. Please see bidder's library for link to DUR minutes.

13. In Section 3.91.8 regarding Other Personnel, can the Agency add another section on the pricing sheet outside of the final price?

Changes have been reflected in the amendment and will be posted in the bidder's library as well as sent to the bidders present at the Bidders Conference held on 5/15/2008.

14. If the Agency requests a rate sheet would that be included in the total price calculation?

Changes have been reflected in the ITB amendment and the amended pricing schedule will be posted in the bidder's library as well as sent to the bidders present at the Bidders Conference held on 5/15/2008.

15. Regarding question #18 from the first set of questions listed on the website, will the Agency amend the requirements to repeat responses to areas already addressed? Can bidders reference already addressed responses?

Yes. Responses can be cross-referenced.

16. Are electronic PA numbers included in the FY07 report?

Please refer to question/answer #12 listed above.

17. Can you provide us with a break down EPAs, manual PAs, manual overrides and online PAs/overrides?

Please refer to question/answer #12 listed above.

18. In Section 3.91.5, pharmacists must be licensed in the State of Alabama, is this is a requirement for physicians as well as other clinical personnel?

The consulting physician will be required to be licensed in the State of Alabama and must be in good standing with the Alabama Board of Medicine. The appropriate changes will be reflected in the amended ITB that will be sent to all vendors present at the mandatory bidders conference held on 5/15/08.

19. Please provide the total paid claims and membership numbers for Fiscal Years 2006 and 2007.

Please see the Annual Report in the Bidders Library for the most current validated numbers regarding utilization and cost. This information can be found on page 14 and 40 in the Annual Report document.

20. Please provide the breakdown of the incumbent staffing for the PA call center and help desk.

The PA call center and help desk are the same. Please see attachment H in the Pharmacy Administrative Services ITB for a breakdown of incumbent's staffing for the PA call center.

**21. The ITB Amendment of the pricing schedule has a column for rate and units.
Please explain what the units are based on.**

The units on the pricing schedule are for evaluation purposes only and are based on the addition of 5 individuals, phones, and fax lines. The 200 is based on the amount of hours. Bidders should complete the rate for each line and multiply it times the units for a price. Once completed, all lines should be added for a total for pricing schedule B.